

34TH ANNUAL ISCEBS
Employee Benefits

Symposium

Changing the Conversation: Evolving Member Education and Advice

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Agenda

- Connecting the dots to help improve workplace productivity and engagement
- What do plan members need?
- The plan sponsor perspective
- Barriers to implementing a workplace financial wellness program
- Strategies for success



Connecting the Dots to Help Improve Workplace Productivity and Engagement



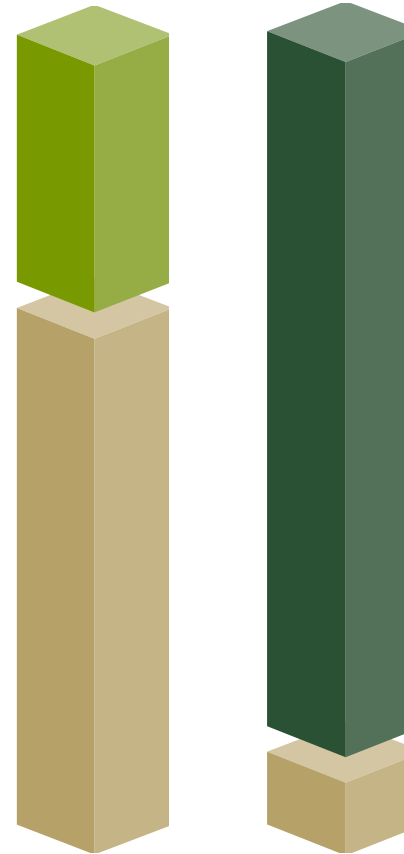
Sources of Stress

- Industry restructuring, a challenging economy and family/personal environment can all be sources of stress
- More than half of Canadians are not happy with their debt management and day-to-day finances¹
 - 1 in 7 are very unhappy with how they have managed their debt
- The average Canadian owes \$1.63 for every dollar of disposable income earned²
- 42% of Canadians rank **money** as their greatest stress³

1. Manulife Bank Homeowner Debt Survey, September 2014
2. Statistics Canada, Q4 2014
3. Leger Financial Planning Standards Council Survey, 2014

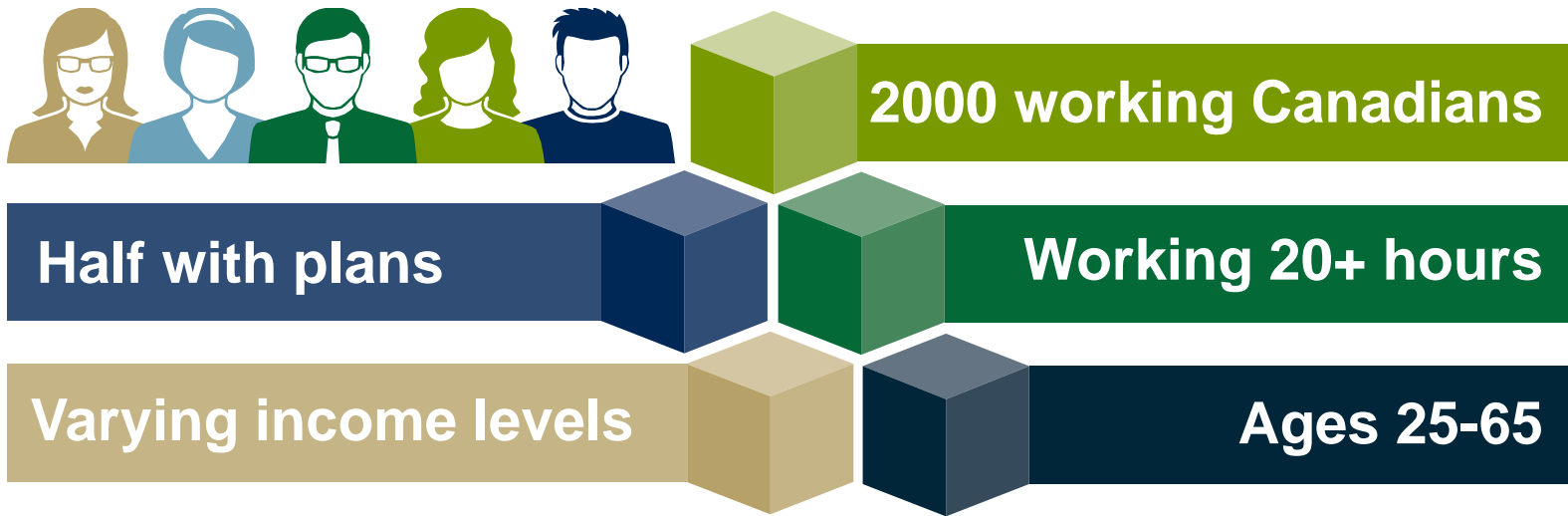
Mental Health in the Workplace

- More than 30% of disability claims and 70% of disability costs are attributed to mental illness¹
- People in their early and prime working years are among the hardest hit by mental health problems and illnesses²
- Almost **90%** of employers identified stress as the most significant mental health concern³



1. Benefits Canada, Workplace mental health articles/resources
2. Mental Health Commission of Canada (MHCC)
3. Ceridian Workplace Wellness Survey (2013)

The 2014 Manulife/Ipsos Reid Health and Wealth Wellness Study



Strugglers vs. Financially Secure

Strugglers:

- No formal financial plan
- High debt, maxed credit, minimal savings
- Not saving for retirement
- Productivity challenges at work
- More missed work days
- Less physical activity



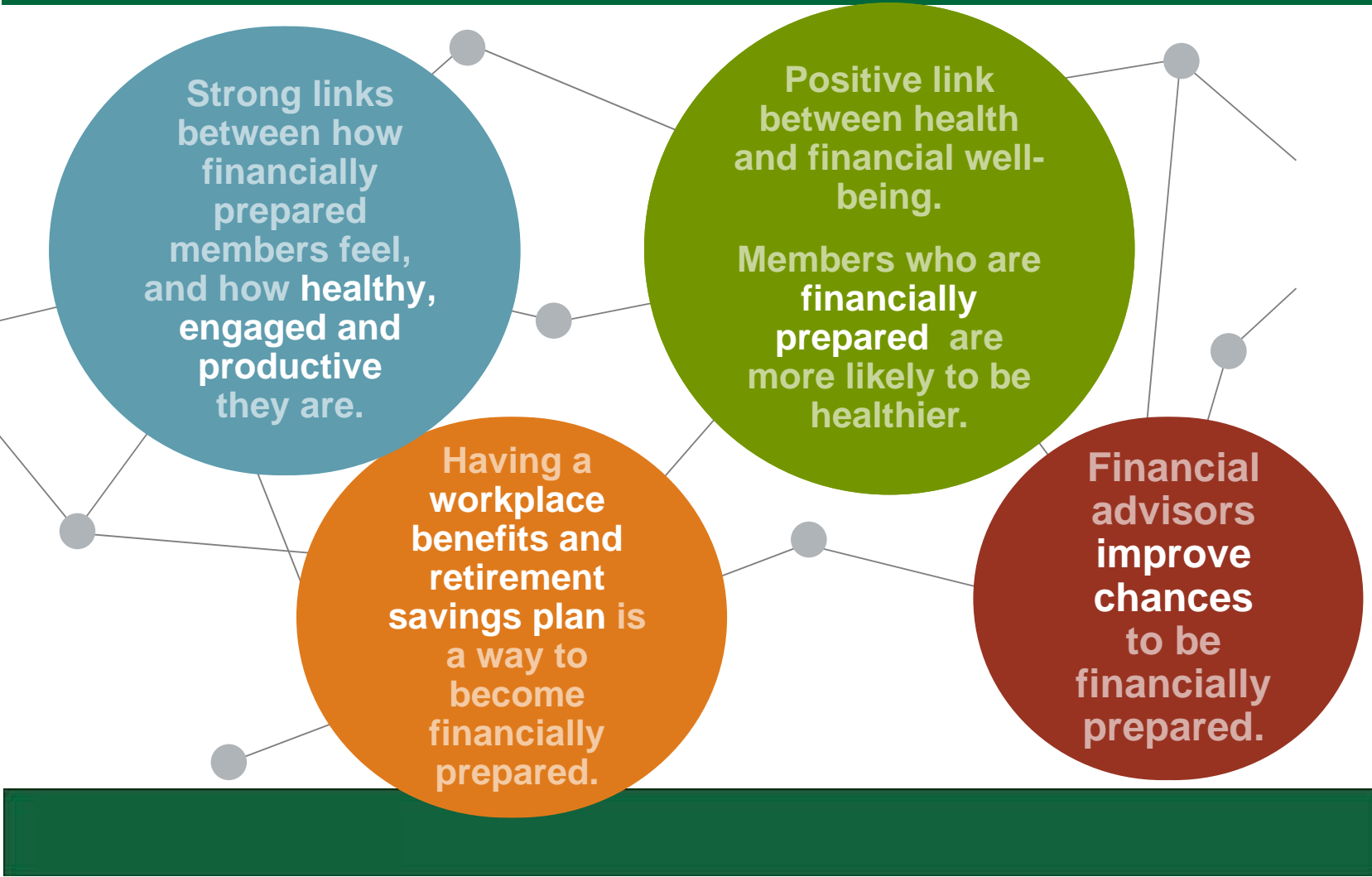
Strugglers vs. Financially Secure

Financially secure:

- Financial plan in place
- Debt management plan and appropriate debt level
- Saving for retirement
- Less time off work
- Better productivity
- More physical activity and exercise



The 2014 Manulife/Ipsos Reid Health and Wealth Wellness Study



Who May Be Most at Risk

- Almost one third are in the 40 to 49 age group.
 - 25-29: 12%, 30-39: 24%, 40-49: 32%, 50-59: 24%, 60-65: 8%



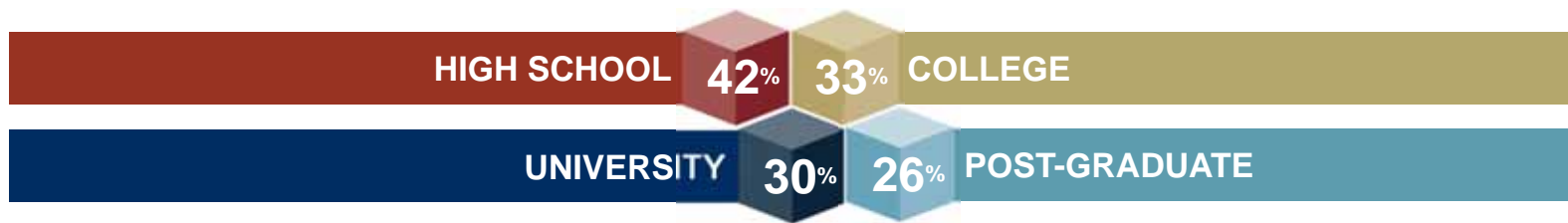
One in three workers are struggling with their finances

Who May Be Most at Risk

- More likely to be single or divorced/separated

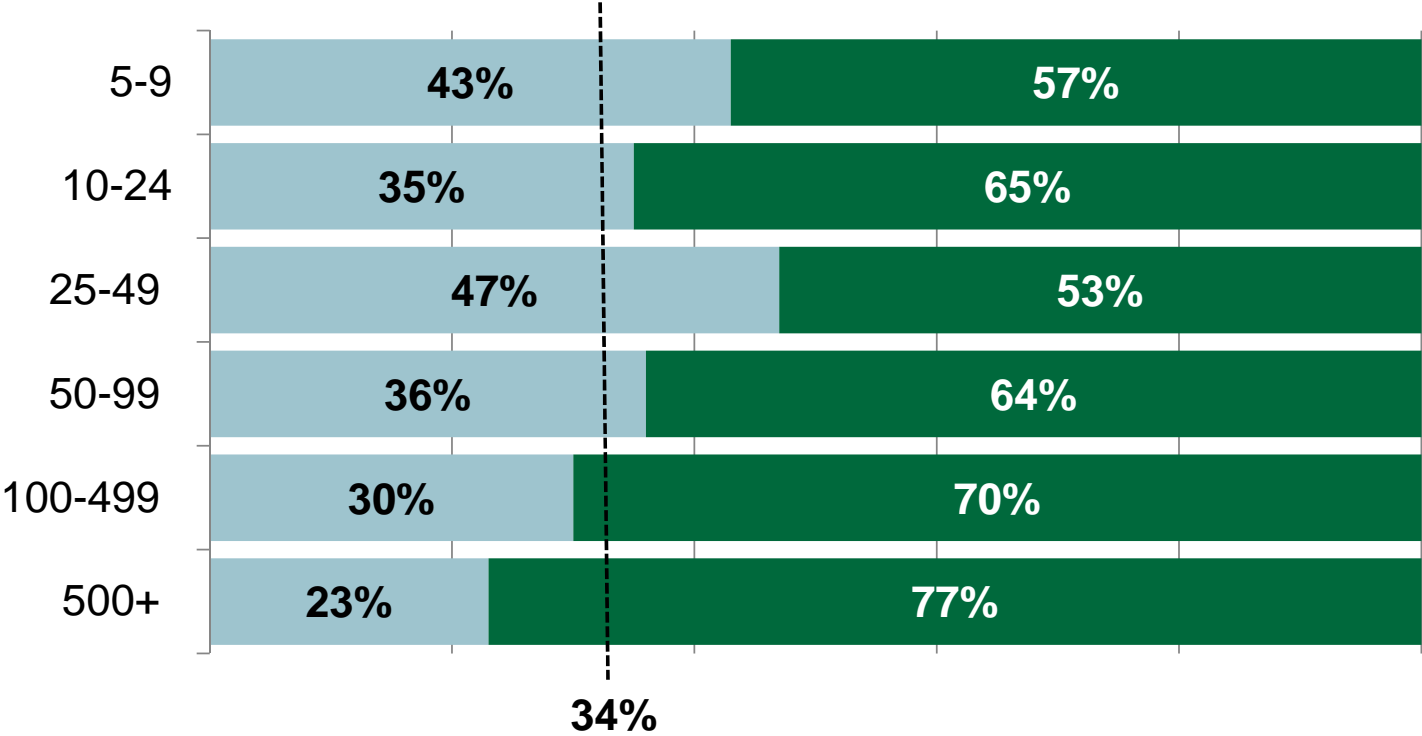


- Although they tend to have less education, even top learners may struggle with their finances



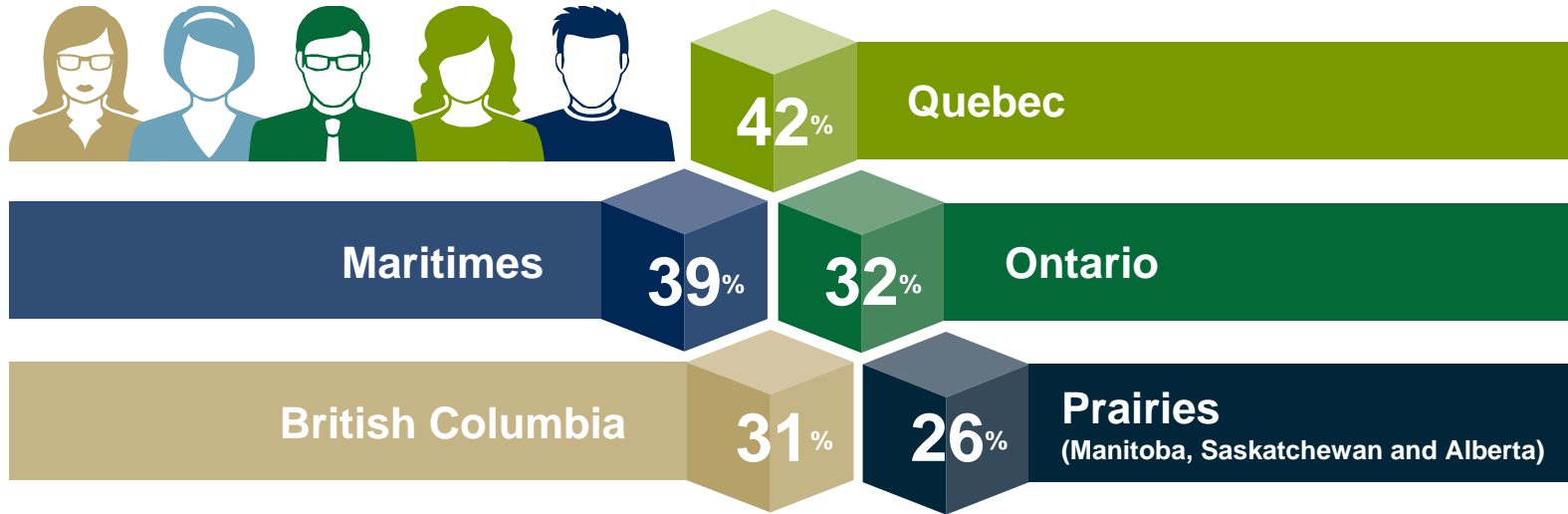
Where Do They Work?

Number of employees ■ Financially not prepared ■ Financially prepared



Where Do They Work?

Higher likelihood in Quebec and least likely to be found in the Prairies:



Financial Struggles and Stress Levels

Finances are the major contributor to high stress levels:

- 45% of those experiencing high stress levels blamed their stress exclusively on their personal finances.
- An additional 31% blamed their stress in part on their finances.



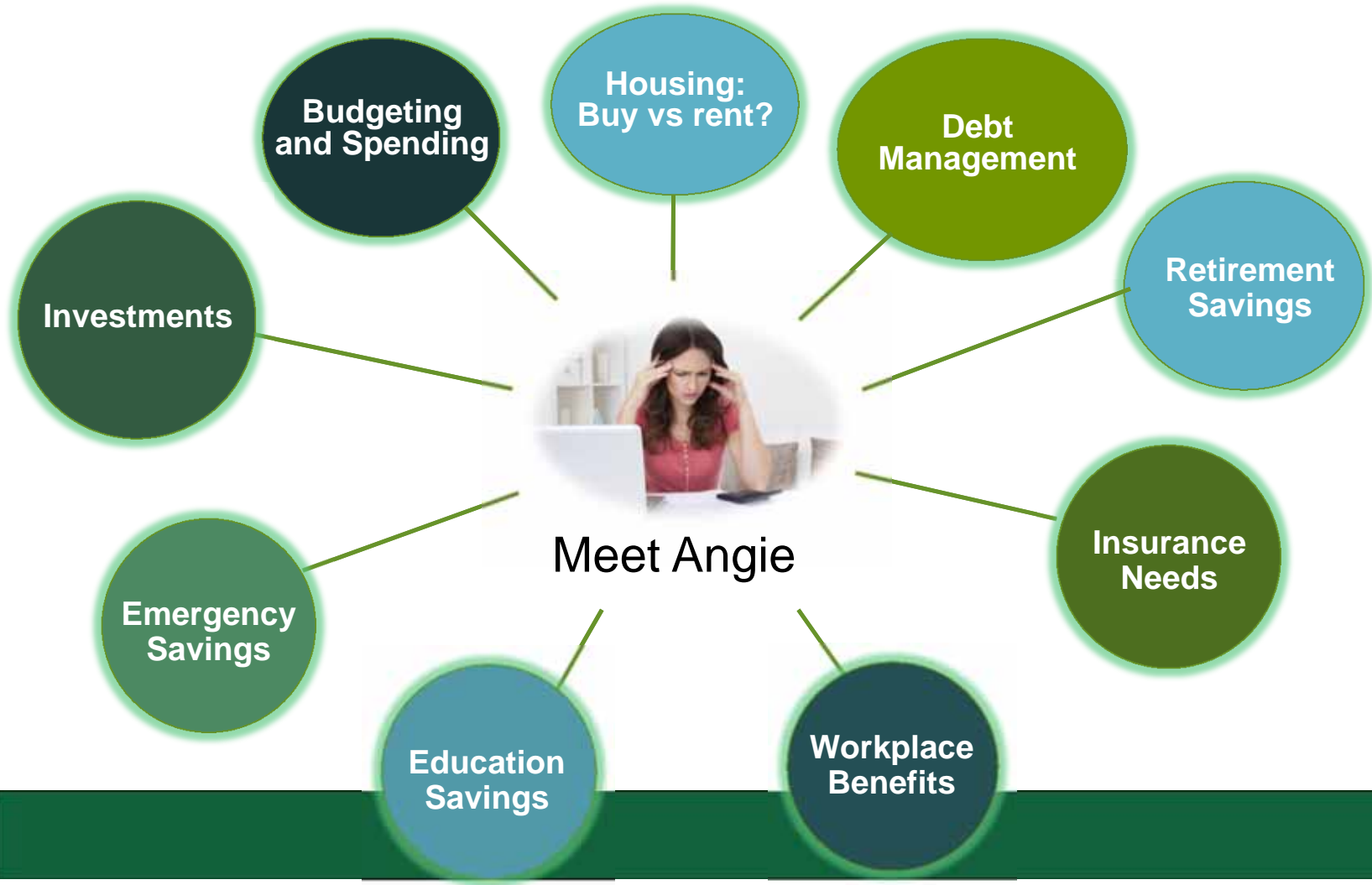
Employees and Personal Finances



What Do Plan Members Need?



Diverse Financial Needs



One Size Does Not Fit All Segmentation—Canadian Consumers



Plan Member Needs



Retirement Preparedness Is...



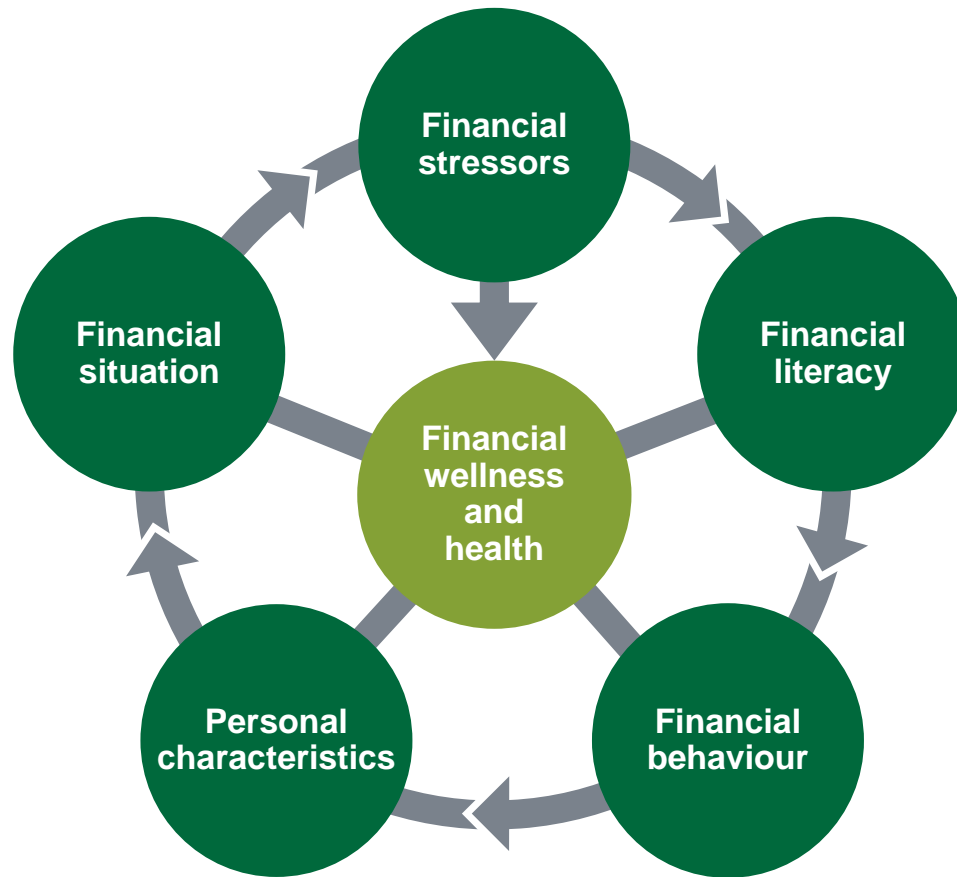


“Financial Wellness”¹:

- **A comprehensive approach**
- **Looks at how all the pieces of an individual’s financial life fit together**
- **End goal - support an employee’s overall financial well-being.**

1. *Financial Wellness at Work: a review of promising practices and policies.*
Consumer Financial Protection Bureau. August 2014

Financial Wellness and Health Continuum



The Employer Perspective



Additional Links Between Financial Struggles and Health

- On average, the financially struggling take 25% more sick days than the financially secure (10 days vs. 8)
- Varies significantly by age:

Age Group	Strugglers	Secure
25–29	6 days	4 days
30–39	10 days	6 days
40–49	12 days	8 days
50–59	13 days	10 days
60–65	8 days	7 days

Employers Are in a Unique Position to Play a Role in the Future Prosperity of Canadians

76%

Create or expand resources available to extend beyond retirement

61%

Offer or promote services to help manage day-to-day finances

29%

Increase emphasis on Financial Education

Success takes time

Barriers to Implementing a Financial Wellness Program



What Is the Biggest Barrier to Implementing a Financial Wellness Program?

- 1) Philosophical objections
- 2) Budget constraints
- 3) Privacy concerns
- 4) Don't know what employees need
- 5) Lack of expertise



Barriers to Implementing a Financial Wellness Program

Philosophical objections

Budget constraints

Privacy concerns

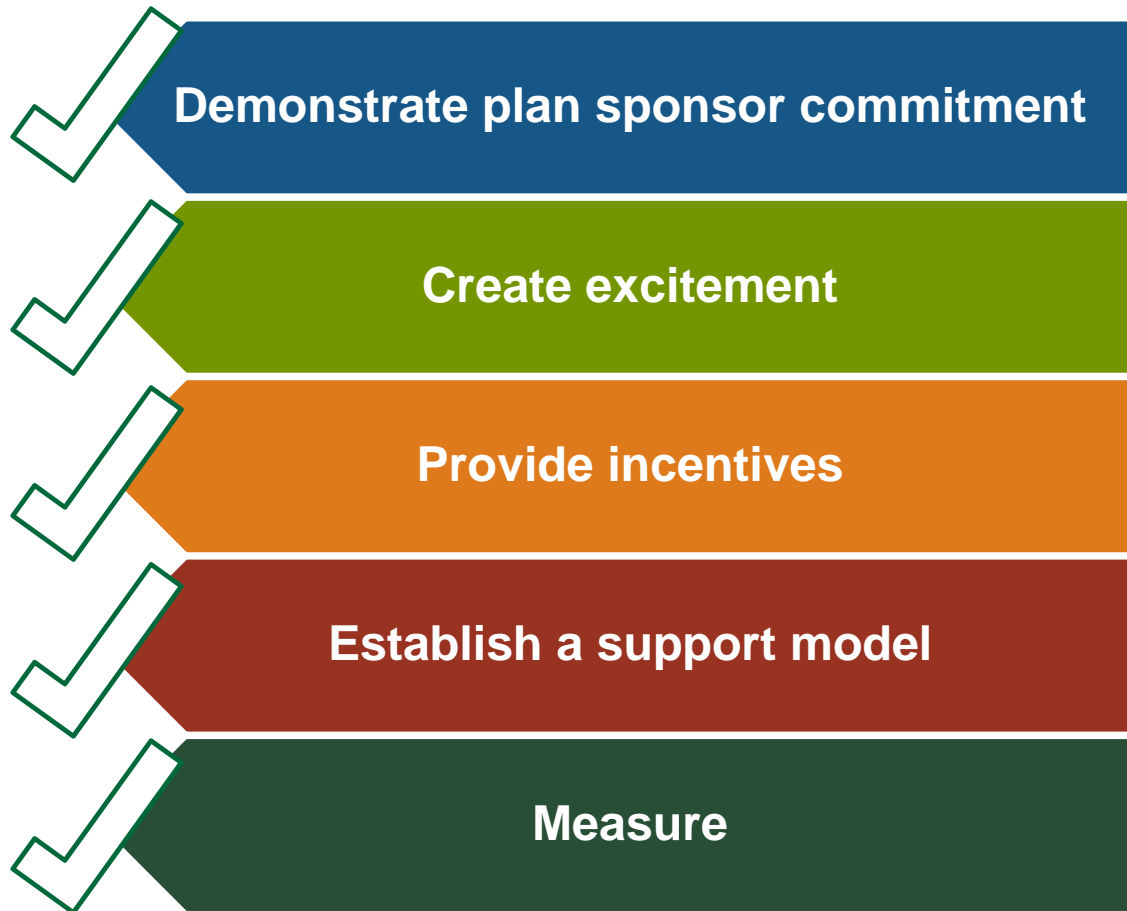
Don't know what employees need

Lack of expertise

Tips and Best Practices—Solutions



Five Strategies for Success

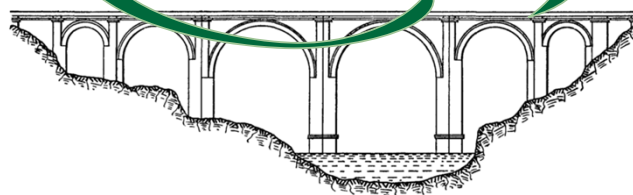


Diverse Needs



Want Solutions

Financial Wellness



Retirement Readiness



Thank You

